

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
PROVO RIVER PROJECT

Contract between the United States, Provo River Water Users' Association, Weber River Water Users' Association, Utah Power & Light Company, and Utah Light and Traction Company.

THIS CONTRACT, made this 20th day of December, 1938, in pursuance of the Act of Congress of June 16, 1933 (48 Stat., 195) known as the National Industrial Recovery Act (herein styled the N.I.R.A.), the Act of Congress of June 22, 1936 (49 Stat., 1597), and the Act of Congress of June 17, 1902 (32 Stat., 388), and amendatory acts (herein styled the National Reclamation Law) between the United States of America, its successors and assigns, (herein styled the United States), acting in this behalf by Oscar L. Chapman, Assistant Secretary of the Interior (herein styled the Secretary); the Provo River Water Users' Association, a corporation of the State of Utah with its principal place of business at Provo City, Utah (herein styled the Provo Association); the Weber River Water Users' Association, a corporation of the State of Utah with its principal place of business at Ogden, Utah (herein styled the Weber Association); and the Utah Power & Light Company, a corporation of the State of Maine with its principal place of business in Utah at Salt Lake City, Utah (herein styled the Power Company); and its Lessor, the Utah Light and Traction Company, a corporation organized and existing under the laws of the State of Utah with its principal office at Salt Lake City, Utah (herein styled the Traction Company), and which Power Company and Traction Company are herein collectively styled the Company, and where "Company" is used herein, it refers to and means said two Companies or either of them, whichever may be appropriate or applicable;

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, the Weber Association is operating the Echo Reservoir for the benefit of irrigators deriving all or part of their waters from the Weber River system on which said Echo Reservoir is located; and

3. WHEREAS, the United States has contracted with the Provo Association for the construction of certain irrigation and reclamation works in Salt Lake, Utah, Wasatch, Summit and Duchesne Counties, Utah, commonly known as the Provo River Project, Utah; and

4. WHEREAS, the Traction Company is an interested party hereto by reason of the ownership of its entire capital stock by the Power Company, and by reason of the additional fact that it owns and leases to the Power Company the Weber power plant and appurtenant works and water rights hereinafter mentioned; and

5. WHEREAS, the Company owns, operates, and maintains certain power plants known as the Weber and Riverdale plants on the Weber River and the Murdock and Olmsted plants on the Provo River and appurtenant works for generating electrical energy on the Weber and Provo rivers, Utah, and owns and uses in connection therewith certain water rights; and

6. WHEREAS, the United States, the Provo Association, and the Weber Association desire to make arrangements with the Company by which Weber River Power water will in part be diverted to the Provo River, so as to augment the available supply of water for the Provo River Project, and in part be stored in Echo Reservoir either for subsequent use by irrigators served by said reservoir, or by exchange subsequently be diverted to Provo River for use by the Provo River Project; and

7. WHEREAS, the United States and the Provo Association desire to make arrangements with the Company for the impounding of Provo River power water in the Deer Creek reservoir for subsequent use by the Provo River Project; and

8. WHEREAS, the withholding of the Company's Weber River and Provo River power waters will result in decreases of power capacity and energy output at the Company's Weber and Riverdale plants on the Weber River and Olmsted plant on the Provo River, and the diversion of power water to Provo River will permit increases of the power capacity and energy output at the Company's plants on the Provo River, which decreases and increases are to be equalized so far as possible or be otherwise compensated for as and to the extent hereinafter provided.

9. NOW, THEREFORE, in consideration of the mutual and dependent stipulations and covenants herein contained, it is hereby agreed between the parties hereto as follows:

DEFINITIONS OF TERMS

10. For the purposes of this contract the following words and terms shall be construed as in this article defined:

"Natural Flow" refers to the flow of Weber River (exclusive of stored waters released from Echo Reservoir) or of Provo River respectively, at the particular power plants hereinafter mentioned in this contract as such flow would be if unchanged by operations under this contract. Natural flow shall be expressed in daily average second feet or in acre feet for 24 hours.

"Power Water." In connection with the operation of the Weber, Riverdale, Murdock and Olmsted plants the Company owns and uses certain water rights under its appropriations. The water yield of these rights at each plant not concurrently required for the satisfaction of rights prior or superior to said rights of the Company is herein referred to as "power water."

"Power capacity" refers to the daily average output in kilowatts of an operating plant using the natural flow then available to the Company under its existing rights up to the operating capacity thereof as though this contract were not in effect.

"Power capacity losses" refers to decreases in power capacity in kilowatts of an operating plant by reason of a part of the natural flow being withheld pursuant to operations under this contract.

"Power capacity replacements" refers to increases in power capacity in kilowatts at one or more plants to compensate for power capacity losses occurring at another plant or plants when such losses are occasioned by operations under this contract.

"Energy increases" refers to daily increases in the kilowatt hour energy output of a plant or plants occasioned by operations under this contract from what said output would be if all the water available to the Company under its existing rights were then being used through such plant or plants as though this contract were not in effect.

"Energy losses" refers to daily decreases in the kilowatt hour energy output of an operating plant or plants from what said output would be if all the water available to the Company under its existing rights were then being used through such plant or plants up to the operating capacity thereof, as though this contract were not in effect.

"Energy replacements" refers to the replacement in kilowatt hours of energy losses occasioned by operations under this contract.

"Winter" refers to the period from approximately October 15 to approximately April 15 of the following year with respect to either or both the Weber and Provo Rivers when "power water" is present therein; and "summer" refers to the period from approximately April 15 to approximately October 15 of each year when "power water" is not present.

In computing power capacity losses and energy losses, power capacity replacements and energy replacements, and energy increases at the four respective power plants of the Company, the following equation shall be used:

second feet of water times plant factor = kilowatts and the following plant factors shall (except as otherwise provided in this contract) be used:

Weber Plant	11.0
Riverdale Plant . .	11.8
Murdock Plant . . .	11.5
Olmsted Plant . . .	20.2

WITHHOLDING OF WEBER RIVER POWER WATER AND PROVO RIVER POWER WATER

11. Annually during the "winter" period, the Company will permit the United States or the two Associations to divert to the Provo River and/or impound in the Echo Reservoir all or any part of the Weber River power water originating above Echo dam, such water being that part of the natural flow, designated "power water", which the Company is entitled to divert and use under its appropriations and applications in and from the Weber River in making up its power rights of 365 second feet for the development of power in the Company's Weber and Riverdale plants near the mouth of Weber Canyon. The United States and/or the Provo Association agrees to replace, as hereinafter provided, all power capacity losses and energy losses suffered by the Company incident to this diversion of power water to the Provo River and/or impounding of power water in the Echo

or increase materially its operation or maintenance expense in order to impound or release the Company's power water so stored in Echo Reservoir. The Company agrees to use due diligence in making proof under said application in accordance with law to cover all power waters withheld at Echo Reservoir, and will use due diligence in maintaining the resulting right in good standing.

USE OF PROVO RIVER PROJECT WATER BY COMPANY FOR POWER PURPOSES

13. The United States and the Provo Association will permit the Company to use during the "summer" period of each year for power production in the Murdock plant as now located, the water diverted into the Provo River from the Weber and Duchesne rivers at such time and in such amounts as these diversions are being made by the United States or the Provo Association for the use of the Provo River Project.

The United States and the Provo Association will also permit the Company to use during the "summer" period of each year for power production in the Olmsted plant as now located, the storage water released from the Deer Creek Reservoir for Provo River Project purposes and diverted from Provo River below said Olmsted plant and all water diverted direct from the Weber and Duchesne rivers for Provo River project purposes and rediverted from Provo River below said Olmsted plant; provided, that from April 15 to October 15 of each year, the Company's use at the Olmsted plant of said storage water shall be limited to water originating from the Weber and Duchesne rivers and to power water of the Provo River withheld in the Deer Creek Reservoir under Article 11 hereof.

The United States and the Provo Association will assign and transfer to the Company all their rights, title and interest in and to those certain applications designated in the office of the State Engineer of Utah as Power Applications No. 12344 and No. 12345 to divert and use the waters of Provo River for power purposes at the Murdock and Olmsted plants; provided, that the Company's use of the water of the United States of Provo Association under said applications shall be restricted to the purposes as contemplated by this contract.

CREDIT FOR COMPANY'S USE OF SUMMER WATER FOR POWER PURPOSES

14. Energy increases resulting from the use of summer water of the Weber Association, the Provo Association, or the United States, through the Weber, Riverdale, Murdock and Olmsted plants, as provided in Articles 12 and 13 hereof, shall accrue to the Company, and the United States or the Provo Association will on October 15 of each year be entitled to and shall receive a credit of 2,250,000 kilowatt hours. This credit shall be cumulative, and shall be accounted for as provided in Article 16 of this contract. If the Company's operation of the Riverdale or Weber plants be discontinued for a period of one or more years, the annual credit above mentioned shall be adjusted in such years of discontinued operations, as follows:

Riverdale Plant reduce credit 850,000 k.w.h.
Weber Plant reduce credit 1,400,000 k.w.h.

REPLACEMENT OF POWER CAPACITY LOSSES

15. Replacement of power capacity losses, suffered by the Company at its Weber and Riverdale plants on any day as a result of the withholding or diversion of Weber River power water, pursuant to the provisions of this contract, shall be made concurrently on the day and the losses occur by the United States and/or the Provo Association by furnishing water, other than natural flow of the Provo River, for power production at the Murdock and Olmsted plants, and/or by furnishing power from a plant at the Deer Creek dam at a point on the Company's 44 KV line nearest said plant, or, at the election of the United States or the Provo Association, by furnishing power at other points agreeable to the Company; and the Company will accept such power capacity replacements so furnished; Provided that

(a) the power capacity losses in kilowatts at the Weber and Riverdale plants on any day, shall be the reduction (to the extent such losses are directly due to said withholding or diversion of Weber River power water) of the daily average flow in second feet, measured at Echo Dam during the second previous day, multiplied by the appropriate plant factor.

(b) power capacity replacements in kilowatts at the Murdock plant shall be the increases in daily average flows in second feet of the winter flow furnished by the United States or the Provo Association over and above the natural flow of Provo River, to the extent usable, multiplied by the appropriate plant factor;

(c) prior to the time that the Deer Creek reservoir is in operation, power capacity replacements in kilowatts at the Olmsted plant shall be the increases in daily average flows in second feet of the winter flow furnished by the United States or the Provo Association over and above the natural flow of Provo River, to the extent usable, multiplied by the appropriate plant factor;

(d) after the Deer Creek reservoir is in operation but prior to the completion of a power plant at Deer Creek dam, power capacity replacements at Olmsted plant in kilowatts shall be the sum of 500 kilowatts plus the product of the daily acre-feet of water released from Deer Creek reservoir for use by the Company, other than natural flow, multiplied by 15.3; and all winter water released at the Deer Creek dam for use by the Olmsted plant during this period shall be released at hours and rates of release as instructed by the Company;

(e) after completion of a power plant at Deer Creek dam, power capacity replacements at the said plant shall be the average kilowatts for 24 hours delivered to the company and the power capacity replacements at Olmsted plant shall be a number of kilowatts equal to the product obtained when the factor 10.2 is multiplied by the number of acre feet of water, other than natural flow, released in 24 hours from the Deer Creek reservoir for use by the Company at Olmsted plant. The average power capacity replacement in kilowatts at the Deer Creek plant between the hours of 8 a.m. and 8 p.m. of any day shall be equal to or more than the average power capacity replacement in kilowatts during the succeeding twelve hours and the number of acre feet of water (other than natural flow) released from the Deer Creek reservoir for power capacity replacement between the hours of 8 a.m. and 8 p.m. at Olmsted plant shall be equal to or greater than the number of acre feet arriving at Olmsted plant in the succeeding 12 hours. If, however, the sum of the average output in kilowatts of the Deer Creek power plant on any day which can reasonably be produced with the natural flow of the Provo River plus all power capacity replacements in kilowatts which can be made at the Murdock plant is less than the power capacity losses at the Weber and Riverdale plants on the same day, and if the entire output of the Deer Creek plant so produced and produced from flows, if any, in excess of natural flow is delivered to the Company, then on such days each kilowatt of power capacity replacement delivered from the Deer Creek plant will be accepted by the Company as replacement for $1\frac{1}{2}$ kilowatts of power capacity losses at the Weber and Riverdale plants; and on those days, all natural flow of the Provo River and all other water released from the Deer Creek reservoir for power capacity replacement shall be released at hours and rates specified by the Company. Also on those days when the entire output reasonably possible from the Deer Creek plant from the use of natural flows and excess flows, if any, is delivered to the Company and when all natural flow and power capacity replacement water is released at hours and rates specified by the Company, then the power capacity replacement at Olmsted plant shall be a number of kilowatts equal to the product obtained when the factor 15.3 is multiplied by the number of acre feet of water other than natural flow released in 24 hours from the Deer Creek reservoir for use by the Company at Olmsted plant;

(f) outflow from Deer Creek reservoir may be reduced by the United States or the Provo Association to less than natural flow of Provo River when the resulting power capacity replacements being made at Deer Creek plant together with power capacity replacements being made at Murdock plant are not less than the power capacity losses at the Weber and Riverdale plants (and at the Olmsted plant resulting from withholding of the natural flow of Provo River pursuant to the provisions of this paragraph), but this right shall be in addition and junior to the provisions for withholding Provo River natural flow as set out in the second paragraph of Article 11 hereof.

(g) power capacity replacements may be made by the United States or the Provo Association from sources other than Murdock, Deer Creek, and Olmsted power plants, at points agreeable to the Company, and the Company will accept such power capacity replacements if furnished at uniform rates throughout each day.

(h) in years of extreme drought, the Company may at its option waive all or any part of power capacity replacements.

It is expressly understood and agreed that the Company under the provisions of this Article in no way waives energy replacements which are to be made as provided in Article 16 of this contract.

It is also expressly understood and agreed that the United States or the Provo Association shall at no time be obligated to release any waters from the Deer Creek

Reservoir for use through the Olmsted plant beyond the natural flow of Provo River as such natural flow may be modified by exercise of the tertiary storage right or by other rights for variation in natural flow herein granted to the Company.

REPLACEMENT OF ENERGY LOSSES AND ACCOUNTING FOR ENERGY INCREASES

16. Replacement of energy losses suffered by the Company at its Weber and Riverdale plants as a result of the withholding or diversion of Weber River power water, and at its Olmsted plant as a result of impounding Provo River power water, and the accounting for energy increases will be made as follows:

(a) The said energy losses shall be recorded by the Company daily and the total thereof shall be accounted for each month as a debit in kilowatt hours to the operations of the United States or the Provo Association. The amount of such debit shall each month be deducted from the credit balance which has been established under the provisions of Article 14 hereof and as hereinafter provided for under subparagraphs (b) and (c) of this article. At no time shall the monthly debit in kilowatt hours exceed the credit balance, except by consent of the Company.

(b) Energy replacements incident to concurrent power capacity replacements shall be received by the Company as concurrent energy replacements. Such concurrent energy replacements together with winter energy increases in excess of concurrent energy replacements shall be recorded daily by the Company and the total thereof shall be accounted for in kilowatt hours each month as a credit to the operations of the United States or the Provo Association unless the Company elects not to accept or give credit for energy increases in excess of 10,000,000 kilowatt hours as provided for under subparagraph (d) of this article in which case credit shall not exceed the amount necessary for concurrent energy replacements.

(c) Credits for kilowatt hours of energy received by the Company as concurrent energy replacements together with winter energy increases in excess of concurrent energy replacements as provided for under subparagraph (b) of this article, and credits issued by the Company to the United States or the Provo Association for use of summer water as provided in Article 14 hereof shall be cumulative except as reduced from time to time by energy debits and/or payments by the Company as provided for in subparagraphs (a) and (d) of this article.

(d) Whenever the kilowatt hour credit balance of the United States or the Provo Association is 10,000,000 kilowatt hours or more, the Company must exercise its option:

1. to accept and pay for at 2 mills per k.w.h. all excess energy which would otherwise result in a credit balance in excess of 10,000,000 k.w.h., or
2. to designate amounts of power water of Provo River and times when the same is to be withheld in Deer Creek Reservoir which will result in the credit balance being reduced to 10,000,000 k.w.h. prior to the beginning of the following irrigation season, but if the United States and/or the Provo Association fails to withhold power water at the Deer Creek dam in the amounts designated by the Company, the credit balance shall automatically be reduced to 10,000,000 k.w.h. on June 30, following. However, any reduction in the power capacity output of a power plant at the Deer Creek dam resulting from such storage of power water, shall (to the extent such reduction prevents the making of power capacity replacements) be deducted from the power capacity losses occurring at the Weber and Riverdale plants.

If the Company elects option 1 to accept and pay for energy in excess of 10,000,000 k.w.h. standing to the credit of the United States or the Provo Association at the end of the succeeding calendar month, then the Company shall within thirty days after receipt of a proper bill or invoice pay the United States and/or the Provo Association (whichever is entitled thereto as provided in the repayment contract between the United States and the Provo River Water Users' Association, dated June 27, 1936) 2 mills per kilowatt-hour for all such excess energy.

If the Company elects option 2, it shall not while such option is in effect be required to use power from any source other than the Murdock and Olmsted plants, nor be required to use water furnished to these plants by the United States or the Provo Association to any greater extent than is necessary to produce energy which when taken together with the credits in excess of 10,000,000 k.w.h. will make a full replacement of energy losses incident to the power capacity losses at the Weber and Riverdale plants.

Reservoir at the instance of the United States and/or the two associations, or otherwise to compensate the Company therefor in a manner to be determined by agreement prior to the taking of water.

Also, annually during the "winter" period the Company will permit the United States or the Provo Association to store in the Deer Creek Reservoir an average, based on a progressive 10 year period including the year in which the storage is made, of 5,000 acre feet of Provo River power water, but not in excess of 10,000 acre feet in any one year, such water being that part of the natural flow designated "power water" which the Company is entitled to divert and use under its appropriations and applications in and from the Provo River in making up its power right of 445 second feet for the development of power in the Company's Olmsted plant and is exclusive of any water made available by reason of the construction or operation of the Weber River Project or the Provo River Project. The United States and/or the Provo Association agree to replace, as hereinafter provided, all energy losses (but not power capacity losses) suffered by the Company by reason of such storage of Provo River power water, or otherwise to compensate the Company therefor in a manner to be determined by agreement prior to the taking of water. However, any reduction in the power capacity output of a power plant at the Deer Creek Dam resulting from such storage of power water shall (to the extent such reduction prevents the making of power capacity replacements) be deducted from the power capacity losses occurring at the Weber and Riverdale plants. The time when such Provo River power water is to be withheld shall be designated by the Company, but such designation shall be made so as to accomplish the true intent of this article.

The use of the Company's water as provided for in this contract shall not be construed as an assignment, relinquishment, or waiver of any of the Company's water rights at the Weber, Riverdale, Murdock or Olmsted plants, and in case of termination or failure of this contract for any reason, such water rights shall continue to be appurtenant to said plants as at present. If in the judgment of the Company it shall be necessary during any winter to use all of the water which it is entitled to divert and use under its present appropriations in order to maintain the legal status of such rights in status quo or for any other reason, the Company may at any time, notwithstanding the provisions of this contract, divert and use such water at such time and in such quantities as it may desire, for one or more periods not to exceed a total of fifteen (15) days in any winter.

USE OF ECHO RESERVOIR STORAGE WATER BY COMPANY FOR POWER PURPOSES

12. The United States and the Weber Association will permit the Company to use, for power production at its Weber and Riverdale plants, all storage water released from the Echo Reservoir during the summer for project purposes below said plants.

The Weber Association will assign and transfer to the Company all its rights, title and interest in and to those certain applications designated in the office of the State Engineer of Utah as power Applications No. 10745 and No. 10746, to divert and use the waters of Weber River for power purposes at the Weber and Riverdale plants; provided, that the Company's use of water under said applications shall be limited to Echo Reservoir storage water in transit from said reservoir for project use below said Weber and Riverdale plants.

The United States and the Weber Association will permit the Company to store water in Echo Reservoir as contemplated by that certain application filed by the Company in the office of the State Engineer of Utah, January 17, 1933, designated Power Application No. 11333, when and to the extent the storage capacity in the said reservoir is not being used under the primary rights of the United States and/or the Weber Association or the secondary rights heretofore or hereafter granted to the stockholders of the Weber Association; provided, that storage of power water in Echo Reservoir under said application shall be in accordance with the provisions of Article 11 hereof, and otherwise not in conflict with the provisions of said Article 11; provided further, that one half of the power water stored in the Echo Reservoir by the Company, in excess of any and all Weber River power water for which replacement and/or compensation has been or is being made by the United States or the Provo Association, may at the option of the Weber Association, be retained in said reservoir by said Weber Association for its own use; and provided further, that all power water so retained by the Weber Association in Echo Reservoir shall be released therefrom at such times and in such amounts as the Weber Association shall designate; and provided further that the Weber Association may release a part or all of the Company's power water so stored in Echo Reservoir whenever such release is necessary for the safety of the reservoir or after 10 days' notice to the Company when repairs to reservoir structures are necessary and the safe and proper execution of such repairs requires the release of such water at the time specified; and provided further, that the Weber Association shall not be required to increase its installation

The provisions of this subparagraph (d) shall be carried out as follows: Thirty days prior to October 15 of each year and on the 15th of each month during the ensuing winter season including the month of April, the United States or the Provo Association shall furnish the Company with the best information available regarding the quantity of Weber River power water that the United States or the Provo Association intends to divert to the Provo River and/or impound in the Echo Reservoir during the succeeding calendar month and the quantity of water that is intended to be furnished to the Company at the Murdock and Olmsted plants for power capacity replacements and energy replacements and for energy increases. If it appears probable from the information available that the operations of the United States or the Provo Association as proposed during the succeeding calendar month will result in a net energy kilowatt-hour credit which with the credit balance at the end of the then current month will exceed 10,000,000 k.w.h. then the Company shall notify the United States or the Provo Association in writing prior to the first of the succeeding calendar month of its election under its option.

If the Company shall fail to give notice of its election under its option, then energy received by it in excess of said 10,000,000 k.w.h. shall be paid for as if the Company had elected to accept and pay for the same.

USE OF MURDOCK PLANT

17. The Company will permit the Murdock plant to be used for power capacity replacements, energy replacements and energy increases so long as said plant is operated by the Company without constructing a new pipe line or flume to serve said plant. Until such time as a new pipe line or flume is constructed the Company shall not be required to utilize water furnished by the United States or the Provo Association (in addition to the water which the Company is otherwise entitled to use) for power capacity replacements, energy replacements or energy increases in any greater amount than can be effectively used by the plant in its condition as maintained by the Company. The Company shall not be required to increase its installation or to increase materially its operating or maintenance expenses in order to utilize water furnished by the United States or the Provo Association for power capacity replacements, energy replacements and energy increases.

Whenever the Company determines to construct a new pipe line or flume to serve the Murdock plant the Company will give notice of its intention so to construct not less than one year in advance of commencement of construction, and the United States or the Provo Association shall have the option, if exercised within said year, to participate in such new construction on the following terms: the United States and/or the Provo Association shall advance to the Company an amount equal to the actual expenditures in connection therewith not exceeding \$280,000, exclusive of any allocation of general office expense, which shall be paid to the Company upon monthly presentation of certified statements in sufficient detail to show the character of expenditures. The Company shall repay such funds, together with interest in the amount of \$50,000, in annual installments of \$10,000 the first of which shall be due and payable on January 1 next after the completion of the construction of said new pipeline or flume with subsequent installments on the same date of each year thereafter until the entire indebtedness; i.e. \$330,000, is paid. Installments not paid when due shall thereafter bear interest at the rate of six per cent (6%) per annum until paid. If the United States and/or the Provo Association participates in the construction of said pipeline or flume as herein provided for, such pipeline or flume shall have a capacity of not less than 120 c.f.s. and thereafter the Murdock plant shall be used and operated by the Company for power capacity replacements, energy replacements and energy increases as provided in Articles 15 and 16 of this contract, except as to interruptions beyond the control of the Company, until the indebtedness to the United States and/or the Provo Association incurred in constructing the new pipeline or flume is paid in full, and thereafter so long as the said new pipeline is usable.

If the United States and/or the Provo Association determine not to participate in the construction of the new pipeline or flume and said new pipeline or flume is constructed by the Company, the Murdock plant, after such construction of said new pipeline or flume regardless of the quantity or source of the water, shall not be used for power capacity replacements, energy replacements, or energy increases.

USE OF OLMSTED PLANT

18. The Company may discontinue or alter the operation of the Olmsted plant at any time and shall not be obligated to increase installation or to increase materially operation and maintenance expenses of said plant to use the increased flow furnished by the United States or the Provo Association and the use of said plant in power capacity replacements, energy replacements and energy increases shall be limited to the extent that said plant may effectively utilize the increased flow of water available for such purposes. -7-

TERMINATION OF TRACTION COMPANY LEASE

19. So long as the Power Company operates the Weber plant, under its lease with the Traction Company dated January 2, 1915, or otherwise, replacements of power capacity losses and energy losses shall be made as provided in Articles 15 and 16 of this contract. In the event that said lease is terminated, or if for any reason the Traction Company repossesses and operates said Weber plant, then replacements of power capacity losses and energy losses occurring at said plant, shall be made by the United States or the Provo Association as provided in Articles 15 and 16 of this contract, except that said replacements so furnished shall be increased by the amounts necessary to cover transmission losses incurred in delivery. The Power Company shall deliver said power capacity replacements and energy replacements to the Traction Company at the point on the Power Company's lines nearest the Weber plant, and if the Power Company fails so to do, then the United States or the Provo Association shall deliver to the Traction Company at the Weber plant, or at some other mutually agreeable point, the Traction Company's proper share of concurrent capacity and energy replacements (or otherwise fully compensate said Traction Company for such capacity and energy losses) and the Power Company agrees to the use of its lines for this purpose without cost to the United States or the Provo Association.

TERTIARY STORAGE CAPACITY

20. To enable the best utilization of the Olmsted power plant both in the interests of the Company and of the Provo River Project, the latter benefiting mainly by furtherance of its Deer Creek Reservoir-Utah Lake water exchanges, it is hereby agreed that the Company shall have a tertiary storage capacity right to utilize without cost up to 10,000 acre-feet of storage capacity in Deer Creek reservoir when the same is not being used under the primary rights of the United States and/or the Provo Association or the secondary rights of the subscribers thereto as defined in their subscription contracts now or hereafter executed. The tertiary storage capacity right granted to the Company in this article may be used only between October 15 of one year and April 15 of the following year for the storage of the natural flow water of the Provo River which the Company is entitled to use under its Olmsted power rights of 445 c.f.s., and the United States and/or the Provo Association agrees to store said water of the Company and release the same in such amounts and at such times between said dates as the Company shall specify; Provided, that said storage of the Company's water shall not interfere with the use of the natural flow of Provo River by the United States and/or the Provo Association for power capacity replacement purposes; and Provided, that the outflow from the Deer Creek Reservoir shall not be reduced below 200 acre feet in any one day, and so far as practicable the natural river flow during daylight hours shall not be reduced below 150 second feet just above said Olmsted intake. The United States and the Provo Association shall provide the necessary facilities for controlling the flow from the reservoir and for impounding and releasing water therefrom and shall operate the same without expense to the company.

RECORDS AND COMPUTATIONS

21. (a) The Company shall install, operate and maintain suitable devices for reliable recordation of stream flow available for diversion to its Riverdale, Weber, Murdock, and Olmsted power plants, except as such measurements are made by others, and shall arrange for reliable recordation of waters actually diverted.

(b) The Weber Association shall similarly arrange for recordation of reservoir stages at Echo Reservoir, of the flows of Weber River and Chalk Creek immediately above Echo Reservoir and of the flow of Weber River immediately below Echo Reservoir, and the United States and the Provo Association shall similarly arrange for recordation of diversions by the Weber-Provo diversion canal and flows therein at the head and at or near the summit between Weber and Provo rivers, diversions from Duchesne River to Provo River, inflow and outflow at Deer Creek Reservoir and reservoir stages at Deer Creek Reservoir.

(c) The Company, as to points of measurement described in (a), and the United States or the two associations, as to points described in (b), will prepare continuous and complete records of daily flows or reservoir stages, except as shorter periods may be necessary in some cases, and each will supply the other without cost with copies of such determined flows or stages as may be required.

(d) The Company shall keep records of power capacity, power capacity losses, power capacity replacements, energy increases, energy losses and energy replacements and shall on or before the close of each month submit to the United States and to each association a comprehensive statement of energy credits and debits as of the end of the previous month. Such statement shall be held to be conclusive unless the United States or either association shall give notice of disagreement within thirty days after rendition of such -8-

statement.

(e) Authorized representatives of the Company, the United States and the two Associations, shall be accorded access at all times to recording equipment at the stations enumerated for inspection or check determinations, and during office hours shall be accorded access to any and all records made pursuant to the provisions of subparagraphs (a), (b), (c), and (d) of this article and to make copies thereof. No such records shall be destroyed or removed for a period of two years after their preparation.

DIVISION OF WITHHELD WEBER WATERS

22. The Weber Association and the Provo Association agree to an equal division of all Weber River power water stored in Echo Reservoir and/or diverted to the Provo River pursuant to the provisions of this contract, and the total amount of power water so divided shall be the sum of the net storage gain in the Echo Reservoir by reason of power water withheld therein pursuant to Articles 11, 15g and 15h hereof plus the power water diverted through the Weber-Provo Diversion Canal, measured at or near Station 463 on said Weber-Provo Diversion Canal, except that when power waters (or other waters) stored in Echo Reservoir are being exchanged for diversions to Provo River the point of measurement on the Weber-Provo Diversion Canal shall be at or immediately below its headworks on the Weber River. The Weber Association further agrees that such power water accruing to the Provo Association may at any time from October 15 to June 30 of the following year be either diverted to Provo River, or temporarily stored in Echo Reservoir (when and to the extent the storage capacity in said reservoir is not being used under the primary rights of the Weber Association or the secondary rights heretofore or hereafter granted to the stockholders of the Weber Association) and subsequently diverted to Provo River by exchange; Provided, however, that when Echo Reservoir spills, such spills shall be charged first to Provo Association power water previously stored therein if any remains; and provided further, that in the event any power water of the Provo Association remains in Echo Reservoir on July 1 of any year, it shall become the property of the Weber Association.

Weber River power water diverted in any winter to the Provo River by the United States or the Provo Association in excess of its share (i.e. 50% of the total amount of power water that may reasonably be withheld at and above Echo Dam under the provisions of Articles 11, 15g and 15h of this contract) shall not, without the consent of the Weber Association, exceed an amount equal to the pro-rata share of the storage water in Echo Reservoir belonging to the Weber Association's stockholders on Provo River diverting below Deer Creek Dam; and all such excess diversions of power water shall be deemed to be Echo Reservoir storage water and shall be released from Deer Creek Reservoir upon request of the Weber Association, for use of the Weber Association's stockholders on the Provo River diverting below Deer Creek Dam; Provided, however, that such release shall in no event exceed the unfilled capacity of the Echo Reservoir at maximum stage during the irrigation season following the winter period when such excess diversions of power water to the Provo River are made, it being understood that water in excess of such required releases shall become the property of the Provo Association.

It is further understood and agreed that diversions of Weber River power water (by direct diversion or by exchange) to the Provo River by the United States or the Provo Association shall be subject to the exchange rights of the Weber Association or present and future stockholders of the Weber Association, to divert water for irrigation and domestic purposes from the Weber River above Echo Reservoir in exchange for its or their Echo Reservoir storage water; provided, that said diversions from the Weber River to the Provo River for the Weber Association stockholders in exchange for their Echo Reservoir storage water shall not exceed an amount equal to the pro-rata share of storage water in Echo Reservoir belonging to the Weber Association stockholders on Provo River.

It is further understood and agreed that Weber River power water accruing to the Weber Association under the provisions of this contract shall be used only to augment the storage supply of the Echo Reservoir to the extent of filling said reservoir once each year to its capacity of 74,000 acre feet and not otherwise.

RIGHT OF WAY FOR PROVO RESERVOIR CANAL ENLARGEMENT

23. The Company agrees to grant to the United States or the Provo Association without cost a perpetual easement to reconstruct, enlarge, operate, and maintain that portion of the Provo Reservoir Canal which is to be enlarged by the United States as a part of the Deer Creek Division of the Provo River Project, where such portion of said canal crosses land belonging to the Company; Provided, that the location of such canal and the plans and specifications with respect to such reconstruction and enlargement shall be

subject to approval by the Company.

REMOVAL AND RECONSTRUCTION OF TRANSMISSION LINES

24. The Company at the sole cost and expense of the United States as hereinafter stated, will and is hereby authorized to relocate and reconstruct such portion of its power line situated within the Deer Creek Reservoir site or which will be interfered with by the construction of said dam, reservoir, and appurtenant works, on a suitable location satisfactory to the Company and to the Chief Engineer of the Bureau of Reclamation outside of and away from said dam, reservoir, and appurtenant works, all in accordance with the Company's standard practice for a power line of the character of the one which is to be displaced. On completion of the construction of said power line in the new location, the Company at the sole cost and expense of the United States will take up and remove said portion of the existing line to be abandoned as contemplated and credit the United States with any salvage therefrom.

The portion of the power line to be removed and relocated was constructed and is now maintained and operated in its present location under and by virtue of easement rights heretofore obtained from the then fee owners of the land upon which said line is located. Rights of way for the location of the new section of line which grant to the Company easement rights equivalent to those to be surrendered in removing the old line shall be procured and delivered to the Company by the United States, if the United States is able to obtain such rights of way by amicable arrangements with the landowners. If the United States is unable to obtain the rights of way by amicable arrangements with the landowners, the Provo Association shall acquire such needed rights of way and convey the same to the Company.

The cost and expense incurred by the Company properly chargeable to the United States under this article shall be all costs and expenses (including, but not specifically limited to labor, materials, surveys, rights of way, damage to property during construction, supervision and overhead) entering into the work of constructing the new line and/or removing the old, less the salvage value of the material removed from the old line. All expenses incurred by the Company properly chargeable to the United States hereunder shall be paid to the Company by the United States from time to time during the progress of the work upon bills rendered by the Company. Such bills shall be rendered monthly during the progress of the work and shall be paid by the United States within thirty (30) days after rendition. The maximum obligation of the United States to the Company for work contemplated under this article shall not exceed Four Thousand dollars (\$4,000.00).

WITHHOLDING OF WATER FROM OLMSTED PLANT DURING INSTALLATION OF GATES AT DEER CREEK DAM

25. The Company will permit the United States and/or the Provo Association to withhold water from the Olmsted plant for a period of five (5) consecutive days at such time as the gates are being installed at the Deer Creek dam without any claim whatsoever for compensation or damage; provided, that the water be withheld at a time to be agreed upon by the Company and the United States.

REPRESENTATION

26. In all matters covered by this contract requiring action or determination by representatives of the parties hereto, the United States shall be represented by the Chief Engineer of the Bureau of Reclamation, the Company by its Chief Engineer, and each Association by the official known to be in recognized charge of project operations unless the parties hereto shall otherwise designate and the official representatives may in turn designate others to act in their place; Provided, however, that any party hereto at any time may require the filing of a certified copy of authorization for representation as a prerequisite for acceptance of the assertion of such authority.

EXPENDITURES CONTINGENT UPON APPROPRIATIONS

27. Where the operations of this contract extend beyond the current fiscal year, it is understood that the contract is made contingent upon Congress making the necessary appropriation for expenditures thereunder after such current year has expired. In case such appropriation as may be necessary to carry out this contract is not made, the contractors hereby release the United States from all liability due to the failure of Congress to make such appropriation.

DECISIONS BY SECRETARY

28. In the event of failure of the Provo Association and the Weber Association to agree at any time upon the construction of the terms of this contract, or in the event of

failure of said parties to reach an agreement in determinations made under its provisions, such matters shall be referred to the Secretary and his decision therein shall be conclusive and binding upon said Provo Association and said Weber Association.

MEMBER OF CONGRESS CLAUSE

29. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

SUCCESSORS AND ASSIGNS OBLIGATED

30. This contract shall remain in full force and effect until terminated by mutual consent of the parties, and its provisions shall apply to and bind the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have hereto signed their names the day and year first above written.

THE UNITED STATES OF AMERICA

by /s/ Oscar L. Chapman
Assistant Secretary of the Interior

(SEAL)

UTAH POWER & LIGHT COMPANY

Attest: /s/ Ferris R. Thomassen
Asst. Secretary

by /s/ G. M. Gadsby
President

(SEAL)

UTAH LIGHT AND TRACTION COMPANY

Attest: /s/ Ferris R. Thomassen
Asst. Secretary

by /s/ G. M. Gadsby
President

(SEAL)

PROVO RIVER WATER USERS' ASSOCIATION

Attest: /s/ E. A. Jacob
Secretary

by /s/ J. W. Gillman
President

(SEAL)

WEBER RIVER WATER USERS' ASSOCIATION

Attest: /s/ D. D. Harris
Secretary

by /s/ A. P. Bigelow
President

The Chairman presented to the meeting a proposed contract between the Utah Power & Light Company, the Utah Light and Traction Company, the United States of America, the Weber River Water Users' Association, and the Provo River Water Users' Association, with respect to the use of the Weber River and Provo River waters in so far as the Deer Creek, or Provo River Project is concerned. Details with respect to the contract were outlined and discussed as contained in the proposed final draft, and after discussion, on motion duly made and seconded, it was unanimously

RESOLVED that the President or any Vice President of the Company, and the Secretary or an Assistant Secretary of the Company, be and they are hereby authorized for and on behalf of the Utah Power & Light Company to enter into and execute said contract in the form presented to this meeting, or substantially in such form, with such minor changes in details therein as may be approved by said officers executing the same, such approval to be evidenced by the execution thereof; and further

RESOLVED that said officers of the Company be and they are hereby authorized for and on behalf of the Company to deliver an executed copy of said contract to the other contracting parties, to-wit: United States of America, the Utah Light and Traction Company, the Weber River Water Users' Association, and the Provo River Water Users' Association.

I, Geo. B. Thomas, Secretary of the Utah Power & Light Company, do hereby certify that the foregoing is a true and correct copy of preamble and resolutions duly adopted by the Board of Directors of this Company at a meeting of the Board held in Salt Lake

City, Utah, August 17, 1938.

/s/ Geo. B. Thomas

Secretary

Attention was called to a proposed contract between the Utah Light and Traction Company, Utah Power & Light Company, the United States of America, the Weber River Water Users' Association, and the Provo River Water Users' Association, with respect to the use of the Weber River and Provo River Waters in so far as the Deer Creek, or Provo River Project is concerned. Details with respect to the contract were outlined and discussed as contained in the proposed final draft, and after discussion, on motion duly made and seconded, it was unanimously

RESOLVED that the President or any Vice President of the Company, and the Secretary or an Assistant Secretary of the Company, be and they are hereby authorized for and on behalf of the Utah Light and Traction Company to enter into and execute said contract in the form presented to this meeting, or substantially in such form, with such minor changes in details therein as may be approved by said officers executing the same, such approval to be evidenced by the execution thereof; and further

RESOLVED that said officers of the Company be and they are hereby authorized for and on behalf of the Company to deliver an executed copy of said contract to the other contracting parties, to-wit: United States of America, the Utah Power & Light Company, the Weber River Water Users' Association, and the Provo River Water Users' Association.

I, Geo. B. Thomas, Secretary of the Utah Light and Traction Company, do hereby certify that the foregoing is a true and correct copy of preamble and resolutions duly adopted by the Board of Directors of this Company at a meeting of the Board held in Salt Lake City, Utah, August 17, 1938.

/s/ Geo. B. Thomas

Secretary

R E S O L U T I O N

BE IT AND IT IS HEREBY RESOLVED by the Stockholders of the Weber River Water Users Association that the action taken by the Board of Directors of this Association at its meeting held December 20, 1938, authorizing the President and Secretary to execute and deliver a contract with the Utah Power & Light Company, the Utah Light and Traction Company, the Provo River Water Users' Association and the United States covering the diversion to the Provo River and/or the impounding in the Echo Reservoir of the Weber River power water and the execution of said contract by the President and Secretary are hereby approved, confirmed and ratified and said contract is approved as the contract of this Association.

C E R T I F I C A T E

I, D. D. Harris, Secretary of the Weber River Water Users Association, do hereby certify that the foregoing is a full, true and correct copy of a resolution passed by the stockholders of the Weber River Water Users Association at an annual meeting held on the 20th day of December, 1938.

I further certify that at said meeting 47,575 shares of stock voted in favor of said resolution and that no shares voted against said resolution.

I further certify that the total number of shares of stock represented at said meeting was 47,575.

Dated this 20th day of December, 1938.

/s/ D. D. Harris

Secretary

BE IT AND IT IS HEREBY RESOLVED by the Board of Directors of the Weber River Water Users Association that the President and Secretary of said Association be and they hereby are authorized and empowered to execute a contract with the Utah Power & Light Company, The Utah Light and Traction Company, the Provo River Water Users' Association, and the United States covering the diversion to the Provo River and/or the impounding in the Echo Reservoir of the Weber River power water upon the terms and conditions as set out in the form of contract presented to and considered at this meeting, or upon such other

terms and conditions as may be satisfactory to the President and Secretary of this Association;

AND BE IT FURTHER RESOLVED, that said officers of this Association be and they hereby are authorized for and on behalf of the Association to deliver an executed copy of said contract to the other contracting parties to-wit: United States of America, the Utah Power & Light Company, the Utah Light and Traction Company, and the Provo River Water Users' Association.

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C E R T I F I C A T E

I, D. D. Harris, Secretary of the Weber River Water Users Association, do hereby certify that the foregoing is a full, true and correct copy of a resolution passed by the Board of Directors of the Weber River Water Users Association at a meeting held on the 20th day of December, A. D., 1938.

I further certify that at said meeting 8 Directors were present and that 8 Directors voted in favor of said resolution and that no Directors voted against said resolution;

I further certify that the total number of Directors of said Weber River Water Users Association is nine (9).

Dated this 20th day of December, A. D., 1938.

/s/ D. D. Harris
Secretary

(SEAL)

R E S O L U T I O N

WHEREAS, there has been prepared a certain contract known as the Weber River Winter Water power contract, a copy of which has been duly considered, and

WHEREAS, the form and substance of said contract has been approved by a Committee heretofore appointed by the President of this Association, consisting of Fisher Harris, L. H. Kimball, A. V. Watkins and E. A. Jacob;

NOW, THEREFORE, be it and it is hereby resolved by the directors of the Provo River Water Users' Association that the President and Secretary of the Association be, and they are hereby authorized and empowered to sign and execute said contract, a copy of which has been duly considered, on behalf of the Association with the following parties:-

Weber River Water Users Association, Utah Power & Light Company, Utah Light and Traction Company, and the United States of America.

C E R T I F I C A T E

I, E. A. JACOB, Secretary of the Provo River Water Users' Association, do hereby certify that the foregoing is a full, true and correct copy of a Resolution of the Board of Directors of the Provo River Water Users Association passed at a special meeting of said directors, duly and regularly called, and held on the 12th day of September, A. D. 1938, at which said meeting ten (10) of the directors of said Association were present, and that all of said directors present voted in favor of said Resolution.

I further certify that the total number of directors of the said Provo River Water Users' Association is eleven (11).

IN WITNESS WHEREOF I have hereunto set my hand and the official seal of the Provo River Water Users' Association, of Utah County, Utah, this 20th day of December, A. D. 1938.

/s/ E. A. Jacob
Secretary of the Provo River Water
Users' Association.

